

# More money for homeless, mental health in state budget

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**After weeks of negotiations and nearly three weeks of overtime, lawmakers Tuesday approved a state supplemental budget that adds millions of dollars to homelessness and mental health programs, but largely sidesteps major issues on education funding.**

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OLYMPIA — Lawmakers on Tuesday approved a state supplemental budget that adds millions of dollars to homelessness and mental -health programs, and per routine, required a special overtime session.

Disagreement over the relatively modest budget — which makes adjustments to the current \$38.2 billion, 2015-17 spending package — kept lawmakers in session for weeks longer than hoped. The slow progress even drew the ire of Gov. Jay Inslee, [who in response vetoed 27 bills](#) in mid-March. As the deal emerged this week, lawmakers began overriding the vetoes.

Frustration over aspects of the deal percolated until moments before the Senate approved the deal Tuesday evening 27-17.

“We’re voting on something, we have no idea what’s in it,” said Sen. Brian Dangel, R-Republic, declaring his vote against the proposal released less than 24 hours earlier.

The House earlier in the day passed the budget by a wide margin.

The agreement adds \$191 million in new spending, including money sought by Democrats for homelessness and some funds to begin to address a shortage of K-12 educators.

Also, about \$190 million in reserves will pay for costs run up during last year's [record-setting wildfires](#).

Republicans originally opposed dipping into reserves, while Democrats supported using the funds for wildfires and other spending.

Democrats failed to raise pay for beginning teacher salaries as a way to address the shortage of educators. And the budget leaves considerable work for 2017 on how to comply with the state Supreme Court K-12 funding order known as [the McCleary decision](#).

Budget talks this session stalled over party disagreements on how to balance the budget over four years, and how much to spend on programs.

"Those tussles over mental health, those tussles over schools and homelessness, those were big ones," said Rep. Hans Dunshee, D-Snohomish and chief Democratic budget writer.

For Republicans, the deal keeps a four-year balanced budget the GOP is comfortable with, according to Sen. John Braun, R-Centralia, and one that uses the reserve funds only for wildfires.

"It lives within our means," said Braun, the lead GOP budget negotiator. "It's sustainable."

In recent negotiations, Democrats resisted a GOP proposal to raise revenue by offering [a plan that would have lowered the share of national advertising income](#) out-of-state broadcasters should pay taxes on. The proposal also would have allowed some back taxes to be paid without a penalty.

"Which is a great deal for them (the companies), but then it's not a great deal for the taxpayers," said Rep. Kristine Lytton, D-Anacortes.

Instead, both parties agreed to allow national companies with local franchises or business to pay back taxes owed on royalty income by October without a major penalty. That change is expected to bring in \$46 million in new revenue.

To find money for programs and to balance the budget over four years, the deal also relied on fund transfers, including \$16 million from a public-works account for the current budget cycle and \$154 million for 2017-19.

During the budget votes Tuesday, several lawmakers criticized taking money from the account, which gives loans and guarantees for local government projects.

Rep. Liz Pike, R-Camas, said some cities don't have "big bucks" to undertake municipal projects without help from the account.

### **K-12 funding**

Lawmakers pushed most of the tough work on fixing the state's unconstitutional K-12 school funding system until next year, approving just \$15 million in additional spending for next year.

About a third will go toward recruiting and mentoring new teachers — a response to a reported statewide teacher shortage that did not include Inslee's call for a \$4,300-per-year raise for beginning teachers.

Lawmakers sought to address last fall's state Supreme Court ruling that charter schools were unconstitutional by funding them through lottery proceeds, which aren't part of the state's general fund. The \$4 million set aside would ensure that programs already getting lottery money from that account won't lose out.

While lawmakers made some progress on McCleary in the two-year budget last year, they decided they needed more research about how local districts spend their money before tackling the rest of it.

A task force will study how much districts spend on basic education from the money they raise in local levies and make recommendations about teacher compensation and limits on school levies.

State Rep. Chad Magendanz, R-Issaquah, ranking member of the House Education Committee, said the Legislature made bigger investments in education in the capital budget.

That spending included \$34.5 million to help schools reduce class K-3 class sizes, \$5.5 million for higher quality portable classrooms, and nearly \$35 million more for the general school construction fund, Magendanz said.

### **Higher education**

Last year, the Legislature cut tuition by 5 to 20 percent at the state's colleges and universities over a two-year period, but did not promise it would fully replace the loss of tuition dollars to the colleges in 2016-17. The budget approved Tuesday does, in fact, backfill that money, at a cost of \$8 million.

The Senate's earlier budget would have cut about 1,000 students from the student financial-aid program. The new budget reverses that cut and provides an extra \$18 million for the State Need Grant, so no students will lose funding, said state Rep. Drew Hansen, D-Bainbridge.

But Hansen said the budget does require colleges and universities to pay individually for some services they used to get from the state, such as legal advice. That loss is, in effect, a cut of \$3.9 million from college and university budgets, he said.

### **Mental health**

Under pressure from the courts and federal investigators to deal with [the systemic flaws in the state's mental-health system](#), lawmakers added about \$40 million, according to House Majority Leader Rep. Pat Sullivan, D-Covington. Some money is aimed at Western State Hospital, the larger of the state's two psychiatric hospitals, to improve safety and ease a severe staff shortage that led last year to a halt in needed bed expansions.

Among other things, funds are included to hire 51 more nurses for the hospital, hire a safety-compliance officer, and give raises to help attract and keep doctors.

Other money is earmarked to pay for additional housing and support teams for mental-health programs, and for more crisis teams for community services.

## **Homelessness**

Lawmakers this year also focused on expanding programs to combat homelessness, which [has spiked in Seattle](#) and across King County.

The compromise includes about \$13 million to get at youth homelessness, according to Sullivan. About \$7.4 million of that will go toward grants administered by the state Department of Commerce (DOC) for programs to help kids.

Those grants primarily are distributed to counties, according to Tedd Kelleher of the DOC. They fund programs such as shelters, transitional housing and short-term housing assistance, according to Kelleher.

About \$1 million was added to the budget for more emergency beds for minors under a law known as the HOPE act. While the program began in 1999 with the goal of funding 75 beds, there are currently just 23 HOPE beds around the state.

Another \$1.1 million is earmarked for residential crisis beds and shelter beds for 18-to-24-year-olds.

“We tried to put significant money into homelessness,” said Dunshee, “because that really is a crisis in our state.”

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